

EXHIBIT 84



NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY
1050 VIRGINIA AVENUE
P. O. BOX 7547
PORTSMOUTH, VIRGINIA 23707
(757) 393-2622
(757) 393-3605 FAX

D. N. Coleman
Secretary and Comptroller

March 20, 2008

Mr. M. D. Manion
Executive Vice President Transportation
Norfolk Southern Corporation

Mr. W. J. Romig
Vice President and Treasurer
Norfolk Southern Corporation

Mr. T. J. Drake
Vice President Engineering
Norfolk Southern Corporation

Mr. G. M. Williams, III
Division Manager
CSX Transportation, Inc.

Mr. T. L. Wolfe
Division Manager
CSX Transportation, Inc.

Dear Sirs:

In accordance with Company By-Laws, a meeting of the Board of Directors of this Company is hereby called to be held on Wednesday, April 9th at 10:30 a.m., at the Norfolk International Airport Conference Center, Second Floor, Main Terminal, Norfolk, Virginia. Please sign and return the enclosed ballot as soon as possible.

Also, please advise whether or not you expect to attend the April 9th meeting.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. N. Coleman', is written over a horizontal line.

Corporate Secretary

cc: Mr. M. D. Gooden, President and General Manager
Mr. J. L. Chapman, IV, General Counsel, Crenshaw, Ware & Martin

NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY

Docket of Proceedings for Board of Directors' and
Stockholders' meeting called to be held in Norfolk, Virginia

WEDNESDAY, April 9, 2008

ANNUAL STOCKHOLDERS' MEETING

ITEMS OF ACTION:

1. Appointment of committee to ascertain number of shares of stock represented.
 2. Approval of minutes of last Stockholder's meeting held on April 4, 2007.
 3. Election of Directors.
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BOARD MEETING

ITEMS OF ACTION:

4. Approval of minutes of last Board of Director's meeting held on December 19, 2007.
5. Approval of Annual Report to Stockholders for year 2007.
6. Election of Temporary chairman.
7. Report by the Secretary on election of Directors' at the Stockholder's Annual Meeting.
8. Election and appointment of Officers.
9. Proposed salary/bonus for non-agreement employees for year 2007.
10. Proposed performance bonus program for non-agreement personnel for 2008.
11. Proposed transload facility at Port Norfolk Yard.

MEETING OF BOARD OF DIRECTORS FOR ORGANIZATION
AND SUCH OTHER BUSINESS AS MAY BE PRESENTED

ITEMS OF INFORMATION

12. Proposed 1031 property exchange and relocation of General Offices.
13. Status of current litigation by General Counsel.
14. Capital Plan for 2007. Budgeted vs. Actual Expenditures

ANNUAL STOCKHOLDERS' MEETING (continued)

15. Adoption of Annual Report for year 2007
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ITEM 1 - ACTION

MEMORANDUM

Appointment of Committee (two persons) to ascertain number of shares of stock represented by proxy.

Mr. Romig

Mr. Wolfe

ITEM 2 - ACTION

MEMORANDUM

Recommend approval of minutes as recorded for last Stockholders' Meeting held on April 4, 2007.

NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY

Norfolk International Airport
Conference Center
Norfolk, Virginia
April 4, 2007

The Annual Meeting of Stockholders was held this date at 11:00 a.m.

It was regularly moved that a committee be appointed to ascertain the number of shares of stock represented, whereupon the Chair appointed Mr. W. J. Romig and Mr. T. L. Wolfe, who reported after examination, that the entire 504 shares of outstanding stock were represented by proxy.

The minutes of the 2006 Annual Meeting held on April 12, 2006 were, on motion duly made and seconded, approved as recorded.

The following resolution was thereupon presented and, on motion duly made and seconded, adopted:

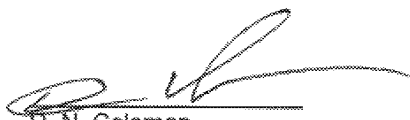
RESOLVED, That the Annual Report for the year ended December 31, 2006, herewith submitted, is hereby accepted and ordered filed.

The meeting proceeded with the election of Directors, whereupon the following nominations were duly made:

Mr. M. D. Manion
Mr. W. J. Romig
Mr. T. J. Drake
Mr. G. M. Williams, III
Mr. T. L. Wolfe
Mr. M. D. Gooden

On motion duly made and seconded, the nominations were closed and the Secretary was directed to cast the unanimous ballot for the nominees, whereupon the Chairman announced that the gentlemen nominated had been duly elected to serve during the ensuing year, or until election of their successors.

There being no further business, the Stockholders' meeting, on motion, adjourned. The next annual meeting is scheduled to be held on the 9th of April 2008.



D. N. Coleman
Corporate Secretary



M. D. Gooden
Chairman

ITEM 3 – ACTION

MEMORANDUM

Election of Directors

Nominees are:

T. J. Drake

M. D. Manion

W. J. Romig

B. J. Frulla, Jr.

T. L. Wolfe

M. D. Gooden

D.N. Coleman (Non-voting)

ITEM 4 - ACTION

MEMORANDUM

It is recommended that minutes of last Board Meeting held on December 19, 2007 be approved as recorded.

NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY

Norfolk International Airport
Conference Center
Norfolk, Virginia
December 19, 2007

A regular meeting of the Board of Directors was held this date at 8:30 a.m.

PRESENT: Mr. T. J. Drake (by conference call)
Mr. M. D. Manion
Mr. W. J. Romig
Mr. G. M. Williams, III
Mr. T. L. Wolfe
Mr. M. D. Gooden, Chairman
Mrs. D. N. Coleman

Mr. J. L. Chapman, IV, representing the Company's General Counsel, was also present.

There being a quorum, the Chairman called the meeting to order.

The minutes of the last regular meeting of the Board of Directors, held on April 4, 2007, were, on motion duly made and seconded, approved.

The Chairman asked the Comptroller to give the financial report; whereupon the Board's attention was directed to the various financial statements distributed prior to the meeting:

Financial Projection for year 2007

Proposed Budget for year 2008

Projected Cash Flows for years 2007 and 2008

As indicated in the 2007 Projected Revenues and Expenses revenue cars will be approximately 25,939 which is an 8.4% decline compared to 2006. Net Revenues from Operations are projected to increase \$1,444,000. Operating Revenues are projected to increase by 2.8% while Operating Expenses are projected to decrease by 22.6% when compared with 2006.

The decrease in operating expenses includes a \$220,500 insurance settlement that is a one time credit to Casualties and Other Claims. Consulting and Legal Expenses are projected to decrease 28% in 2007 over 2006. This is due to the lighter trial volume and cases settled in 2007. Salaries & Fringes are projected to decrease 24.7% due to staff /crew reductions.

The company recognized a \$103,000 pre-tax gain on the sale of real estate for non-operating properties at Syer Road in Portsmouth (1.87 acres). No additional property sales are expected to be completed in 2007.

Net Income for 2007 is projected to increase by approximately \$415,000 or 40.4% over 2006. Income taxes are expected to increase by \$244,000 or 61.3% over 2006.

The budget for 2008 assumes traffic volumes consistent with 2007. The loss of auto parts traffic is expected to be compensated for by an increase in grain traffic. Demurrage revenues are expected to drop 36% from 2007. Expenses are projected to decrease slightly (.9%) from projected 2007 operating expenses (adjusted for the one-time insurance settlement). Net Income is expected to decrease by \$326,000 (\$323,000 is attributable to the insurance settlement and land sale in 2007).

Cash and cash equivalents are expected to increase approximately \$506,000 in 2008 as a result of a decrease in operating expenses and the perpetual lease on the cell tower in Norfolk (previously approved by the Board). No real estate sales have currently been budgeted for 2008. Projected Operating Ratio for 2007 is 73.6% and for 2008 is 79.5%. The Company's financial position remains strong with a current ratio of 2.1% as of October 31, 2006 and a projected current ratio of 1.6% at year end.

Following discussion of various elements of the projected revenues, expenses and cash flows, the following resolution was, on motion duly made and seconded, adopted:

RESOLVED, The NPBL 2008 Budget be accepted as presented.

Following discussion of projected cash flows for 2008, it was recommended that a cash dividend be declared for 2007. Whereupon, the following resolution was, on motion duly made and seconded, adopted:

RESOLVED, A cash dividend of \$2,000 per share of common stock of the Company be declared, payable on December 20, 2007 to stockholders of record at the close of business on December 19, 2007.

The President submitted to the members of the Board a capital expenditure budget for the year 2008 in the amount of \$1,225,000, offset by Virginia Department of Rail and Public Transportation grants of \$385,000, for a net cost to the Belt Line of \$840,000. Some reimbursement is expected from the responsible party in the damage to the Main Line Bridge fender system (item no. 6). Mr. Chapman suggested the Belt Line may receive 50% reimbursement but an agreement has not been reached at this time.

Mr. Drake suggested that discretionary funds (item no. 5) be used to install two lubricators. Mr. Manion suggested that the Belt Line acquire two used lubricators from Norfolk Southern, leaving sufficient discretionary funds to cover routine matters. The President concurred with Mr. Drake and Mr. Manion.

Proposed 2008 Capital Expenditure Program

	<u>Total Cost</u>	<u>VDRPT Grant</u>	<u>NPBL Net Cost</u>
1. Industrial Turnout	\$ 30,000		\$ 30,000
2. Install 13,000 linear feet of 132 lb. CWR in Berkley Yard tracks 7, 8 & 9	\$350,000	\$245,000	\$105,000
3. Rehabilitate switches in Berkley Yard south end of Tracks 1, 2, 3, 4, 5 & 6	\$240,000	\$140,000	\$100,000
4. Purchase of crew cab pick-up Truck for MW&S forces	\$ 30,000		\$ 30,000
5. Miscellaneous discretionary items	\$ 25,000		\$ 25,000
6. Replace fender system on Portsmouth side of Main Line Bridge	<u>\$550,000</u>		<u>\$550,000</u>
	\$1,225,000	\$385,000	\$840,000

After discussion and consideration of the proposed expenditures, the following resolution was, on motion duly made and seconded, adopted:

RESOLVED, The budget of capital expenditures for the year 2008 in the amount of \$840,000 (NPBL Net Cost) as presented above, is hereby approved and said expenditures are hereby authorized.

By memorandum, the President presented the Board with the following expected findings from the joint financial audit performed by representatives of Norfolk Southern's and CSX's Internal Audit Departments:

- **Purchasing Card Use** – the NPBL participates in the Norfolk Southern Purchase Card Program. Historically the use of charge cards at NPBL has differed slightly from the Norfolk Southern Purchase Card Guidelines. Due to

differences in systems, operations and support services, it was recommended that NPBL adopt an amendment to the NS Purchase Card Guidelines to address the differences in use. The proposed guidelines were been reviewed and approved by both Norfolk Southern's Internal Audit and Accounts Payable Departments, and were presented for Board approval. Internal Audit did not find any use of the purchase card that was not for legitimate NPBL business.

- **Service Contracts** – When the NPBL was converted to the NS Material Management and Accounts Payable systems, Material Management was preparing to convert service contracts to the TrackIt system. Due to the small number of service contracts at the NPBL the decision was made not to set up the service contracts at that time. While NPBL does review the invoices for contract compliance, the contracts are not processed through the NS contract system. Internal Audit would like for the contracts to be set up by Material Management and for all applicable invoices to be paid through TrackIt as service contract invoices.
- **Revenue/Accounts Receivable Processing** – Internal Audit had no specific findings in this area but will probably recommend additional automation of our manual processes in this area.
- **Tuition Reimbursement** – Internal Audit had no significant findings but is expected to recommend that the NPBL adhere to NS guidelines for tuition reimbursement.
- **Liability Accruals** – Internal Audit may make a recommendation that we drop the quarterly adjustment to our accruals and only do an annual review.
- **Conversion From Betterment Accounting to Capital Accounting** – Internal Audit is still reviewing the handling of this conversion by NS Capital Accounting. They are looking into the possibility the NPBL Fixed Assets may be over depreciated and the possible impact of the excess depreciation. They have not yet decided if this will be included in their report.

After discussion and consideration of the proposed NPBL Purchase Card Guidelines the following resolution was, on motion duly made and seconded, adopted:

RESOLVED, The NPBL Purchase Card Guidelines be adopted as an amendment to the Norfolk Southern Purchase Card Guidelines.

The President presented the Board a memorandum recommending that a transload operation be established in the Port Norfolk Yard as a Belt Line operation. Bulkmatic was recommended as the contract operator. Further documentation was presented detailing the estimated investment and anticipated return-on-investment. Mr. Wolfe pointed out that CSX Intermodal currently leases track in the yard and their use of the track is essential. The Board tables the proposal until the April meeting to give CSX Intermodal opportunity to work with the Belt Line concerning their track needs.

The President presented the Board with an offer from the Virginia Port Authority to purchase 33.5 acres of land in the Sewell's Point area of Norfolk. After discussion of the property appraisals and prior offers, the Board recommended the President make a counter offer of \$6,600,000.

By memorandum, the President presented the Board with a request from Norfolk Southern to discontinue NPBL trackage rights over the Norfolk Southern between NS Junction and Carolina Junction in the Berkley area of South Norfolk. After discussion and consideration of an alternate route and associated costs of trackage rights the following resolution was, on motion duly made and seconded, adopted:

RESOLVED, The NPBL discontinue trackage rights over the Norfolk Southern between NS Junction and Carolina Junction in the Berkley area of South Norfolk.

The President presented the Board with an update on the Company's current litigation status. General Counsel answered questions regarding litigation.

By memorandum, the President reported on the Company's safety performance for the year 2007. The President reported that, as of December 19, 2007, the Company has not had an FRA reportable injury in 2007. The Board commended the President on the safety performance for 2007.

The President presented the Board with a list detailing the Company's performance goals for the year 2008.

By memorandum, the President presented the Board with a proposed plan for the re-investment of gains from the proposed sale of land at Sewell's Point. The re-investment would allow the Belt Line to consolidate their Maintenance of Way and General Offices adjacent to the Berkley Yard. The Belt Line would also acquire land and rail to increase capacity at the Berkley Yard. After discussion and consideration the Board recommended that the Belt Line proceed with exploring the proposed property transactions, pending the Sewell's Point sale, and present a detailed plan at the April meeting.

By memorandum, the President presented the Board information on the Consent of Directors that was approved since the last meeting. This consent was to proceed with granting a perpetual easement to Crown Castle International for a communications tower, in the City of Norfolk, for a one-time fee of \$250,000. Mrs. Coleman reported that this transaction is expected to close in early 2008.

The next meeting of the Board of Directors is scheduled to be held in Norfolk, Virginia in conjunction with the Company's Annual Meeting of Stockholders on Wednesday, April 9, 2008.

There being no further business, the meeting went into an Executive Session and from the Executive Session was adjourned.



D. N. Coleman, Corporate Secretary

ITEM 5 - ACTION

MEMORANDUM

Approval of Annual Report to Stockholders for year 2007.

ITEM 6 - ACTION

MEMORANDUM

Election of Temporary Chairman to preside over the meeting (Items 7 through 9 on Agenda) until the President is elected and takes the chair.

ITEM 7 - ACTION

MEMORANDUM

Report of the Secretary of election of Directors' at the Stockholders' Annual Meeting held April 9, 2008.

ITEM 8 - ACTION

MEMORANDUM

Appointment of Officers.

M. D. Gooden, President and General Manager

D.N. Coleman, Vice President, Comptroller and Corporate Secretary

P. D. Nelson, Treasurer

ITEM 9 - ACTION

MEMORANDUM

2007 marked the end of a long relationship between the Belt Line and Ford Motor Company when the Norfolk Ford Assembly plant halted production of Ford trucks in July 2007. The challenges of losing an important customer such as Ford were met by the management team at the Belt Line. With the pending loss in revenue from Ford the management team was able to partner with existing customers and develop new customers to increase car volume and revenue. The management team took steps to meet the decrease in revenue expected from Ford and was able to show a 46% increase in net income in 2007 over 2006 despite an 8.3% decrease in cars handled. All of this was accomplished while the employees of the Belt Line went 2007 with zero FRA reportable injuries. This is by far the biggest accomplishment of 2007 and has not been achieved in over ten years. The company will receive a Jake Jacobson award with distinction for having zero FRA reportable injuries in 2007 from the ASLRRA.

The following is a list of major accomplishments for 2007:

1. Zero FRA reportable injuries. First time in ten years that the NPBL has achieved this accomplishment.
2. Declared \$1,000,000 dividend to stockholders. Two years in a row that a dividend has been declared.
3. 55% reduction in crew overtime hours
4. Railway operating ratio decreased to .74% in 2007 from .98% in 2006.
5. Ratio of loaded cars per man hour increased from .90 for 2006 to 1.18 in 2007.

ITEM 9 - ACTION

6. Nine percent overall decrease in derailments (24 in 2006 to 22 in 2007) with a 47% decrease in derailments occurring on Belt Line owned trackage (13 in 2006 to 7 in 2007). 25% decrease in rule violation incidents (4 in 2006 to 3 in 2007).
7. Switching revenue per car increase from \$180.67 in 2006 to \$213.81 in 2007.
8. Operating expenses per car decrease from \$201.97 in 2006 to \$169.51 in 2007.
9. Decreased litigation trial case load 72% from 14 cases in 2007 to 4 current cases.
10. Sponsored Board hy-rail trip and lunch with employees in October 2007.
11. Expanded customer base by three new customers in 2007.

Salary and bonus recommendations for job and company performance in calendar year 2007 are provided in the table on the following page. Employee yearly performance evaluations will be distributed for your review.

ITEM 9 - ACTION

Salary Range	Proposed Increase
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Position	Low Range	High Range	Current Salary	% of Increase	New Salary	% Range	% Bonus	Bonus Amount
Vice-President, Comptroller & Corporate Secretary	\$68,200	\$95,000	\$82,150	5.00%	\$86,250	90%	25%	\$20,537
Terminal Superintendent	\$68,200	\$95,000	\$81,200	5.00%	\$85,250	89%	20%	\$16,240
Treasurer	\$45,200	\$81,900	\$68,950	4.00%	\$71,700	87%	15%	\$10,342
Terminal Trainmaster	\$45,200	\$78,000	\$65,550	4.00%	\$68,175	87%	15%	\$9,982
Administrative Assistant	\$30,000	\$50,000	\$40,000	3.00%	\$41,200	82%	5% Prorated At 11 months	\$1,832
Totals			\$337,850	4.20%	\$352,575			\$58,933

Total cost of this annual compensation package to the Company would be \$14,725 in salary increases representing a 4.20% merit increase. One-time job performance bonus recommendations if approved would be \$58,933.

The President & General Manager's salary is \$98,280

ITEM 10 – ACTION**NPBL BONUS PROGRAM 2008**

The Bonus Program will be based on company and individual performance with 50% attributable to each component. The bonus award opportunity for awards at the various pay levels is included in the table below.

All non-agreement full time employees of the NPBL are eligible to participate in the Bonus Program.

Employees must be in active service on December 31, 2008, to receive a bonus except in the case of death, retirement, leave of absence, long-term disability or returning to one of the parent companies. Bonus awards will be prorated for employees moving between non-agreement positions at different bonus levels or for employees promoted from agreement positions during the year. Employees who enter service with NPBL on a non-agreement position during the year are eligible for a prorated bonus based on their NPBL service during the year. Employees who transfer from a non-agreement position to an agreement position during the year **will not remain eligible** for a prorated bonus based on their non-agreement earnings if they are in active service on December 31, 2008.

Bonus awards are lump-sum cash payments and are not added to base compensation. Any bonus awards under this Program will be paid after the Board of Directors meeting held in April.

The President and General Manager may recommend that the Board of Directors reduce or eliminate an employee's award because of unsatisfactory performance.

Nothing in this Program shall constitute any obligation on the part of NPBL to continue an individual's employment or to pay a bonus award in any given year.

The President & General Manager is responsible for the administration and interpretation of this Program.

Position Title	Target Bonus %
President & General Manager	Determined by Board of Directors
Vice President, Comptroller & Corporate Secretary	Not to exceed 25%
Terminal Superintendent	Not to exceed 20%
Treasurer & MIS Director	Not to exceed 15%
Terminal Trainmaster	Not to exceed 15%
Manager of Administration	Not to exceed 10%
Assistant Trainmaster	Not to exceed 10%
Administrative Assistant	Not to exceed 5%

ITEM 11 - ACTION

MEMORANDUM

During 2007 the Company had the Port Norfolk Yard in Portsmouth appraised with the intention of marketing the property. This 21.83 acre parcel was appraised at \$4,300,000 (\$200,000/acre) and at \$3,936,000 (\$145,000/acre) with the primary difference being the application of a corridor factor. The Virginia Port Authority expressed an interest in purchasing the property, but failed to make an offer after encountering resistance from the City of Portsmouth. The property was shown to three businesses interested in setting up rail served transload operations. All three were discouraged after talking with the City about the required use permits. NPBL has received one offer from a developer who will not be bringing in rail supported business. The offer is for \$3,000,000 or \$173,000/acre. The NPBL currently pays about \$40,000 per year in local property taxes on the non-operating portions of the yard. The Company has also recently received a letter of intent to purchase this property from CSXT.

The Company has seen a growing demand for transload facilities on NPBL in 2007 and the trend is expected to continue. We would propose that the NPBL establish a transload facility at the Port Norfolk Yard for the use of its customers.

The Company has been in discussion with Bulkmatic, a transload operator currently serving both NS and CSX. The business plan calls for the transload facility to be an NPBL operation, thereby not subject to local ordinances and taxes. The facility will be operated by Bulkmatic as a contractor for NPBL. The Company has had preliminary interest from Perdue, Consolidated Grain and ADM in using the facility. There has also been interest from plastics importers, which would help balance the traffic through the facility. The Company believes the facility will increase rail traffic for both parent companies and also benefit the Port of Virginia.

Norfolk & Portsmouth Belt Line

Proposed Transload Facility

Location : Port Norfolk Yard

Proposed Operator: Bulkmatic Transport Company

Commodities: Dry, non-hazardous, non-toxic, free flowing materials (initial demand is grain and related agricultural products)

NPBL Capital Investment: (estimated)

Stabilize land	\$35,000
Fencing	\$25,000
Truck scales & platform:	\$75,000
Lighting & electrical access:	\$25,000
TOTAL	\$160,000

Revenues:

Initial anticipated volume – 2,000 rail cars /year

Bulkmatic charge to NPBL per loaded 40 ft. container - \$535

Estimated cash flows per rail car:

Switch fee	\$ 148.50
Transload revenue	<u>\$2,152.50</u> (15% mark-up, avg 3.5 containers/car)
Gross revenue	\$2,301.00
Less switch costs	\$ 130.00 (average)
<u>Less transload costs</u>	<u>\$1,872.50</u>
Net revenue	\$ 298.50 per rail car, \$597,000 per year

Return on Investment 373% in year one



C.J. Cullen
Director-Transportation Services
April 1, 2008

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Internet: Chris_Cullen@csx.com
Website: www.csxrealproperty.com

Via Overnight Courier (757) 393-2631

Mr. David Gooden
President and General Manager
Norfolk and Portsmouth Belt Line Railroad Company
1050 Virginia Avenue
PO Box 7547
Portsmouth, VA 23707

Re: Port Norfolk Yard Portsmouth, VA

Dear Mr. Gooden:

Please be advised that CSX has a serious interest in the acquisition of all land, improvements and trackage owned by the Norfolk and Portsmouth Belt Line Railroad Company (NPBL) known as Port Norfolk Yard containing 23.55 acres, more or less, as shown on the September 7, 2007 Baldwin & Gregg, LTD. Survey, together with the all land, trackage, OTM, signals (collectively the "Trackage"), situated between the crossing diamond of CSX's Portsmouth Subdivision and the end of track at Portsmouth Marine Terminal and including NPBL's existing buildings located within the described limits.

We are prepared to recommend the following principal terms and conditions of a purchase by CSX subject to senior management approval:

1. Consideration of \$150,000.00 per net usable (excluding wetlands) acre for all land described above, plus additional consideration for the Trackage and buildings based on a valuation methodology acceptable to both parties.
2. NPBL would retain an operating easement over and across any Trackage necessary to continue service to existing customers.
3. Due Diligence period of (90) days to allow CSX the opportunity to complete typical due diligence items such as title investigation, environmental assessments, engineering and feasibility studies, etc.
4. Closing shall be subject to the parties obtaining approvals, if any, from the Surface Transportation Board or other governing bodies.
5. Conveyance of the property will be by Special Warranty Deed, prepared by CSX, with marketable title and free of all leases and encumbrances.
6. Any information relative to surveys, title, studies, conditions of the buildings and Trackage or other maintenance in the possession of NPBL will be shared with CSX upon execution of a formal purchase and sale agreement.
7. Taxes, assessments, utilities and rent shall be prorated to the date of closing.
8. Closing shall occur within thirty (30) days following satisfaction or expiration of the Due Diligence period.
9. Possession shall be at Closing.

Mr. David Gooden

April 1, 2008

Page 2

10. NPBL shall not market the property, in whole or part, during negotiations with CSX and NPBL agrees that the existing Lease between CSX and NPBL dated December 1, 1999, will remain in full force and effect until closing contemplated herein occurs.
11. CSX and NPBL agree to use best efforts to negotiate a formal purchase and sale agreement with terms and conditions, generally set forth above, by April 15, 2008.

We hope NPBL will consider this a genuine and fair offer to enable CSX to provide reliable and efficient rail service to the port and to meet the demands of its other customers that rely on the operations across this land and Trackage. It would be our recommendation that once agreement is reached on the general terms and conditions of a purchase and sale agreement, we draft a formal agreement for your review. Thank you for your consideration in this matter and please feel free to call me at anytime if there are any questions or if additional information is desired.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'C.J. Cullen', with a long horizontal flourish extending to the right.

C.J. Cullen



301 Southport Circle, Suite 200
Virginia Beach, VA 23452

ph 757.401.2400
fax 757.217.4221

www.cpr Realty.com

April 2, 2008

Ms. Donna Coleman
Norfolk Portsmouth Belt Line
1050 Virginia Avenue
Portsmouth, Virginia 23707

Re: 21.83 Acre Site @ 1040 Virginia Avenue, Portsmouth, Va.

Donna,

I wanted to take this opportunity to thank you for forwarding the initial information which you have on the above noted site, and to confirm that there is a continuing interest in our proceeding with a Purchase Contract with you for the sale of the property.

As per your request, I would report that the interest is for the entire property. The proposed development of the property at this point envisions construction of up to approximately 250,000 s.f. in a warehouse distribution facility supported by the Belt Line rail on an existing dedicated spur on the site. The proposed facility would be at the back of the property between Martin Luther King Boulevard and the Belt Line spur. Additional warehouse area would also be contemplated.

We anticipate that should we be able to reach agreement on the land purchase contract, this warehouse facility would deliver for occupancy sometime in mid to late 2009. Preliminary projections indicate substantial volumes of rail traffic on the Belt Line over the term of the operation of the warehouse facility which we envision will serve as a full service boxcar and intermodal transload warehouse facility.

I look forward to answering any questions and can confirm that I am working on a draft purchase contract for submission to you at the earliest possible convenience. Again it would be very valuable for us to have the current legal description as currently recorded in order to assist me in completing the contract for submission to you. In addition, I would kindly request that you provide me with any standard operating provisions for the use, maintenance, etc. by Belt Line for main line track and dedicated spur that should be addressed in a proposed contract document.


Please let me know of any questions or concerns.

Thank you and regards,

Sincerely,

CONTINENTAL REALTY SERVICES, INC.

By:


Gregg Christoffersen, CCIM
Principal Broker

ITEM 12 - INFORMATION**MEMORANDUM**

The Virginia Port Authority has entered into an agreement with the NPBL to purchase the Sewell's Point Yard in Norfolk for \$5,100,000, which would result in an estimated capital gain of \$4,450,000. In an effort to minimize capital gains taxes and improve operating efficiencies, the Belt Line has been negotiating the following property transactions be considered as part of a like-kind-exchange:

<u>Sales</u>			
	Price	Retirement	Gain
Sewell's Point Yard	\$5,100,000.00	\$650,000.00	\$4,450,000.00
Truxton St (MofV)	\$70,000.00	\$79,000.00	-\$9,000.00
			<u>\$4,441,000.00</u>
<u>Acquisitions</u>			
	Price	Improvements	Re-investment
Precision Printing	\$1,000,000.00	\$250,000.00	\$1,250,000.00
Eure site	\$300,000.00		\$300,000.00
Waters site	\$40,000.00	\$200,000.00	\$240,000.00
NS Berkley track	\$1,400,000.00		\$1,400,000.00
			<u>\$3,190,000.00</u>
Net Capital Gain			\$1,251,000.00

The Chesapeake Economic Development Department has indicated they will endorse two paper street closings that will add an additional 3 - 4 acres of property to the transaction.

The numbers presented are rough estimates. Surveys, appraisals and further negotiations with property owners are ongoing. Timing of the property closures will be dependent on the Sewell's Point closing but is projected for October/November 2008.

The estimated tax impact of the 1031 exchange is calculated as follows:

	Without 1031	With 1031
Capital Gains	\$4,450,000	\$1,251,000
less 39% tax	-\$1,735,500	-\$487,890
Net proceeds for distribution	\$2,714,500	\$763,110
less recipients 7.5% tax on dividend	-\$203,588	-\$57,233
Net proceeds to stock holders	\$2,510,913	\$705,877
Total tax paid	\$1,939,088	\$545,123

Red - to be sold
Blue - to be
purchased
Yellow - street
closures



ITEM 13 – INFORMATION

MEMORANDUM

Report by General Counsel James L. Chapman, IV.

Re: Litigation Status

As of this date, the Company has zero lawsuits active in the Circuit Court of Portsmouth and one pending appeal to the Virginia Supreme Court. In addition, there are three unscheduled lawsuits and one attorney's lien that may be scheduled for litigation in the future.

The one active lawsuit involves the following:

FELA personal injuries: 1 lawsuit awarded \$330,000 to plaintiff in July 2007. Lawsuit is currently under appeal to the Virginia Supreme court.

The three unscheduled lawsuits involve the following:

Crossing Accident (indemnified by CSXT) 1 lawsuit seeking \$1,000,000

2 Repetitive motion lawsuits:

- 1st lawsuit - Plaintiff with no representation
- 2nd lawsuit - Suit filed but not served

Since the December 19, 2007 board meeting there has been one lawsuit settled for a total of \$855,000 of which \$855,000 was paid by CSX.

Zero FRA reportable injuries have been recorded in 2007.

The company believes that its current reserves are sufficient to provide for any losses associated with the above cases. The Company's personal injury reserve at this time is \$758,000.

NORFOLK & PORTSMOUTH BELT LINE RAILROAD
2007 TRIAL SCHEDULING ORDERS

TRIALS: 2007

<u>DATE</u>	<u>CASE</u>	<u>CLAIM</u>	<u>JUDGE</u>	<u>VENUE</u>	<u>PLAINTIFF'S ATTORNEE</u>	<u>DISPOSITION</u>
02/12/07	Satterfield L02-1627	Knee/Leg	Morrison	Portsmouth	Moody	Settled 1/10/07 \$60,000
03/26/07	Mills L05-1651	Asbestos	Cales	Portsmouth	Appleton	Settled 3/22/07 \$11,000
05/21/07	Davenport L06-1982	Knee **	James	Norfolk	Moody	Settled 4/25/07 \$50,000
06/01/07	Collins CH05-2573	Trespasser *	Morrison	Portsmouth	Moody	Settled 06/2007 \$500,000
06/25/07	Wilson L05-451	Shoulder	Davis	Portsmouth	Moody	Plaintiff's verdict \$330,000 NPBL appealed to Virginia Supreme Court

UNSCHEDULED LAWSUITS

Pope	L03-2535	Crossing ***	Morrison	Portsmouth	Melvin Cranwell	CSX Idemnification \$62,000,000
Green	L03-2534	Crossing ***	Morrison	Portsmouth	Melvin Cranwell	CSX Idemnification \$1,000,000
Watkins	L04-437	Carpal Tunnell	Cales	Portsmouth	None	Clark withdrew from case No representation
Scott	L06-730	Asbestos	Cales	Portsmouth	Schnitzer	Settled 9/25/07 \$1,500.00

ATTORNEY LIENS

	Wilson	RS-Knee	7/8/2004	Portsmouth	Moody	
	Jordan	Carpal Tunnell	9/22/2005	Portsmouth	Clark	
\$500.00	Edwards(non-employee)	Back	11/9/2005	Portsmouth	Griffin	Settled 02/26/07
\$15,000	Brown	Back	6/16/2006	Portsmouth	Cooper	Settled 02/23/07
\$10,000	Cook	Elbows	7/13/2006	Portsmouth	Cooper	Settled 03/21/07

*Idemnified by Hampton Roads Sanitation

**Idemnification to NS by NPBL under service agreement dated January 23, 1991

***Idemnified by CSXT

NORFOLK & PORTSMOUTH BELT LINE RAILROAD
2008 TRIAL SCHEDULING ORDERS

TRIALS: 2008

<u>DATE</u>	<u>CASE</u>	<u>CLAIM</u>	<u>JUDGE</u>	<u>VENUE</u>	<u>PLAINTIFF'S ATTORNEY</u>	<u>DISPOSITION</u>
03/31/08	Pope	Crossing Accident *	Morrison	Portsmouth	Melvin Cranwell	CSXT settled \$855,000

UNSCHEDULED LAWSUITS

Green	L03-2534	Crossing *	Morrison	Portsmouth	Melvin Cranwell	CSX Idemnification \$1,000,000
Watkins	L04-437	Carpal Tunnell	Cales	Portsmouth	None	Clark withdrew from case No representation
Jordan		Carpal Tunnell		Portsmouth	Clark	Filed but not served

LAWSUITS UNDER APPEAL TO THE VIRGINIA SUPREME COURT BY NPBL

Wilson	Shoulder		Richmond	Moody	Appeal accepted by Virginia Supreme Court but not scheduled
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LAWSUITS FILED BY THE NPBL

Vessel Marlin	Allison damages		Federal Court	Davey	Seeking damages from the vessel Marlin's allison with main line bridge.
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ATTORNEY LIENS

Wilson Booker	Knee Asbestos	7/8/2004 Portsmouth 3/3/2008 Pittsburgh	Moody Pierce
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*Idemnified by CSXT

ITEM 14 - INFORMATION

MEMORANDUM

Attached is the Capital Plan for 2007 compared with actual expenditures.

NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY

2007 CAPITAL EXPENDITURES
CHARGED TO R & E ACCOUNTS

CAPITAL BUDGET ITEM	AFE NUMBER	EXPENDITURES AS OF DECEMBER 31	CAPITAL EXPENDITURE AUTHORIZATION	EXPENDITURES OVER/(UNDER) BUDGET
1. Industrial Turnout		0	30,000	(30,000)
2. Borate Tie Installation & Track Surfacing	07-8001	97,859	135,000	(37,141)
3. Switch Renewal Berkley Yard	07-8003	20,110	30,000	(9,890)
4. Grade Crossing Renewal Elm Ave.	07-8005	16,217	20,000	(3,783)
5. Signal Upgrade				
Turnpike Road	06-8053	11,375	8,569	2,806
High Street	06-8054	15,144	14,249	895
Barnes Road	06-8055	14,982	14,982	0
Elm Avenue	06-8056	14,816	13,880	936
6. Miscellaneous Discretionary Items				
Berkley Electrical Upgrade	07-8012	6,094		
ML Bridge Fender System	07-8009	<u>46,896</u>		
		52,990	5,000	47,990
Total 2007 Items		<u>\$243,493</u>	<u>\$271,680</u>	<u>(\$28,187)</u>
<u>ITEM CARRIED FORWARD</u>				
7. Grade Crossing Signals				
Portsmouth Blvd	06-8051		13,990	(13,990)
Deep Creek Blvd	06-8052		10,998	<u>(10,998)</u>
8. Miscellaneous Discretionary Items				
Camera for Main Line	07-8008		10,000	(10,000)
Computer Equipment	07-8010		10,000	<u>(10,000)</u>
		<u>\$0</u>	<u>\$44,988</u>	<u>(\$44,988)</u>
Grand Total		<u>\$243,493</u>	<u>\$316,668</u>	<u>(\$73,175)</u>

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ITEM 15 - ACTION

MEMORANDUM

It is recommended that the Company's Annual Report for year ending December 31, 2007, be accepted and ordered filed.